

House File 2508 - Enrolled

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HOUSE FILE 2508

AN ACT

RELATING TO DIRECT DEPOSIT OF WAGES AND CREATING AN EXCEPTION
TO THE PAYDAY INFORMATION EMPLOYERS ARE REQUIRED TO PROVIDE
EACH EMPLOYEE UNDER THE IOWA WAGE PAYMENT COLLECTION LAW AND
PROVIDING FOR RETROACTIVE APPLICABILITY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 91A.3, subsection 3, unnumbered
paragraph 1, Code Supplement 2005, is amended to read as
follows:

The wages paid under subsection 1 shall be sent to the
employee by mail or be paid at the employee's normal place of
employment during normal employment hours or at a place and
hour mutually agreed upon by the employer and employee, or the
employee may elect to have the wages sent for direct deposit,
on or by the regular payday of the employee, into a financial
institution designated by the employee. ~~An employer shall not
require a current employee to participate in direct deposit.
The employer employee hired on or after July 1, 2005, may
require be required, as a condition of hire employment, a new
employee to sign up for to participate in direct deposit of~~
the employee's wages in a financial institution of the
employee's choice unless any of the following conditions
exist:

Sec. 2. Section 91A.3, subsection 3, Code Supplement 2005,
is amended by adding the following new unnumbered paragraph
after paragraph c:

NEW UNNUMBERED PARAGRAPH. If the employer fails to send an
employee's wages for direct deposit on or by the regular
payday in accordance with this subsection, the employer is
liable for the amount of any overdraft charge if the overdraft
is created on the employee's account because of the employer's
failure to send the wages on or by the regular payday.

Sec. 3. Section 91A.6, subsection 4, Code Supplement 2005,
is amended to read as follows:

4. On each regular payday, the employer shall send to each
employee by mail or shall provide at the employee's normal
place of employment during normal employment hours a statement
showing the hours the employee worked, the wages earned by the
employee, and deductions made for the employee. However, the
employer need not provide information on hours worked for
employees who are exempt from overtime under the federal Fair
Labor Standards Act, as defined in 29 C.F.R. pt. 541, unless
the employer has established a policy or practice of paying to
or on behalf of exempt employees overtime, a bonus, or a
payment based on hours worked, whereupon the employer shall
send or otherwise provide a statement to the exempt employees
showing the hours the employee worked or the payments made to
the employee by the employer, as applicable. An employer who
provides each employee access to view an electronic statement
of the employee's earnings and provides the employee free and
unrestricted access to a printer to print the employee's
statement of earnings, if the employee chooses, is in
compliance with this subsection.

Sec. 4. RETROACTIVE APPLICABILITY. The section of this
Act which amends section 91A.3, subsection 3, unnumbered
paragraph 1, is retroactively applicable to July 1, 2005, for
employees hired on or after that date.

CHRISTOPHER C. RANTS
Speaker of the House

JEFFREY M. LAMBERTI
President of the Senate

I hereby certify that this bill originated in the House and

3 4 is known as House File 2508, Eighty=first General Assembly.

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MARGARET THOMSON

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Chief Clerk of the House

3 10 Approved _____, 2006

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3 14 THOMAS J. VILSACK

3 15 Governor